

Introduction

There are several factors that consumers consider when choosing one bank over another. While there has been much research on persuasive advertising elements, none has focused specifically on effective advertising in the retail banking industry. Focusing on two retail banking customer segments, the objective is to define what mass media advertising strategies are most effective at generating a change in attitude towards a brand. Millions of dollars are spent on television advertising, and the goal here is to give the financial services industry insight about what consumers prefer to see (and prefer not to see) in a bank commercial.



Research Methods

1. Secondary Data
 - Central and peripheral cues in advertising¹
 - Consumer readiness²
2. 34 Question Survey
 - 491 respondents
 - Screening to determine high/low motivation and ability
 - Two ads viewed: one central and one peripheral
 - Mixture of reaction questions and analysis questions to determine effectiveness and confirm ad type
3. Proportions
 - Compared responses to the central and peripheral ads
 - Coded the data by assigning a "1" to those responding more favorably to central ad than peripheral ad
 - Z-test and confidence intervals to compare the proportion of 1s
 - High motivation versus low motivation
 - High ability versus low ability

Research Questions

Which ad type is more effective at generating attitude change for each customer segment?

What do consumers dislike about bank advertising?

Are consumers able and motivated to use banking services?

Results

Hypothesis: the degree of motivation and ability affects consumers' perceptions of central and peripheral ads

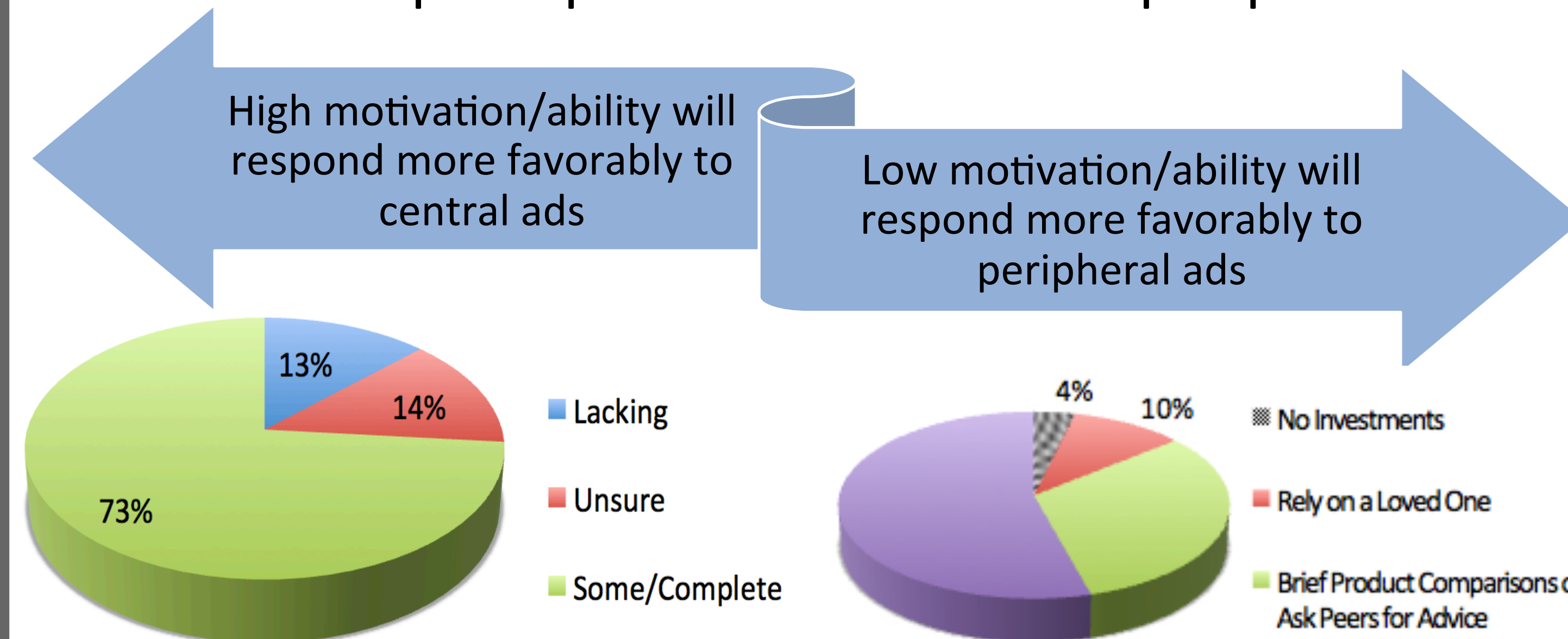


Figure 1: Understanding About Account & Policies to Indicate Ability

Figure 2: Pre-Investment Purchase Behavior to Indicate Motivation

Reaction questions:

- A: Claims made were believable
- B: I clearly understand what was being communicated
- C: I could easily identify the products/attributes the company was advertising
- D: I liked this advertisement
- E: Willingness to purchase increased after viewing this ad

Survey Question 17E vs 23E
"My willingness to purchase increased after viewing this ad"

	Ability			
	1's	0's	Total	Proportion
High	46	123	169	0.2722
Low	15	74	89	0.1685
Total	61	197	258	

Figure 3: Proportion Table Comparison

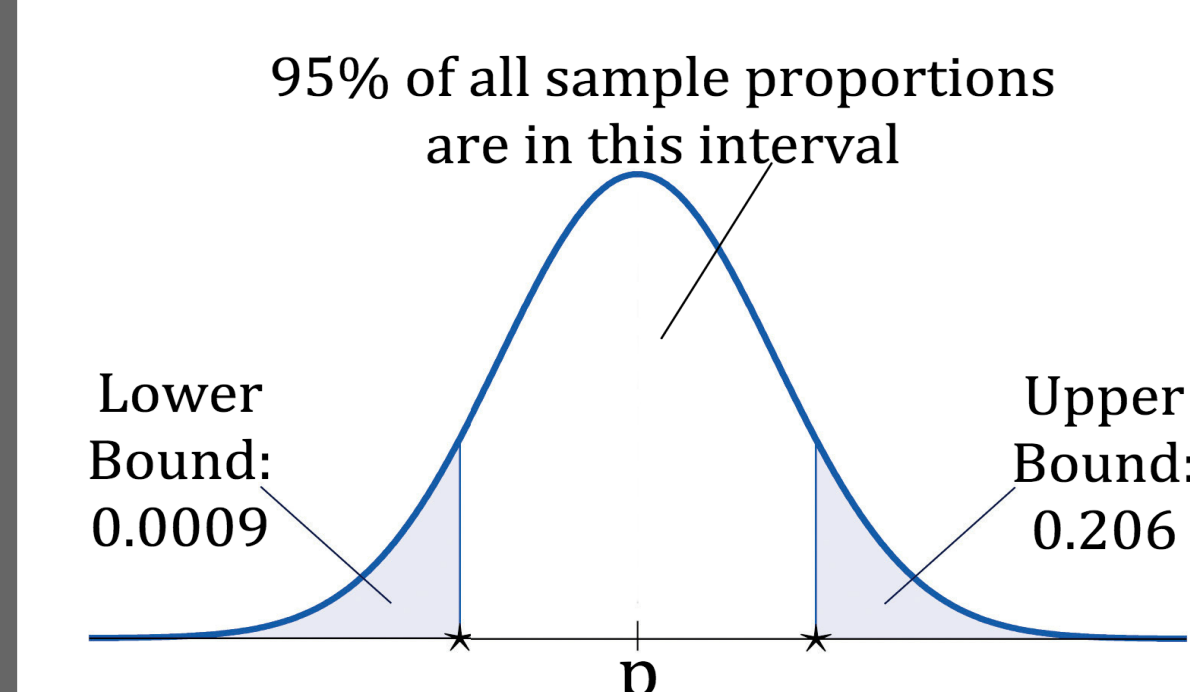


Figure 5: Confidence Interval for the Difference of Two Population Proportions

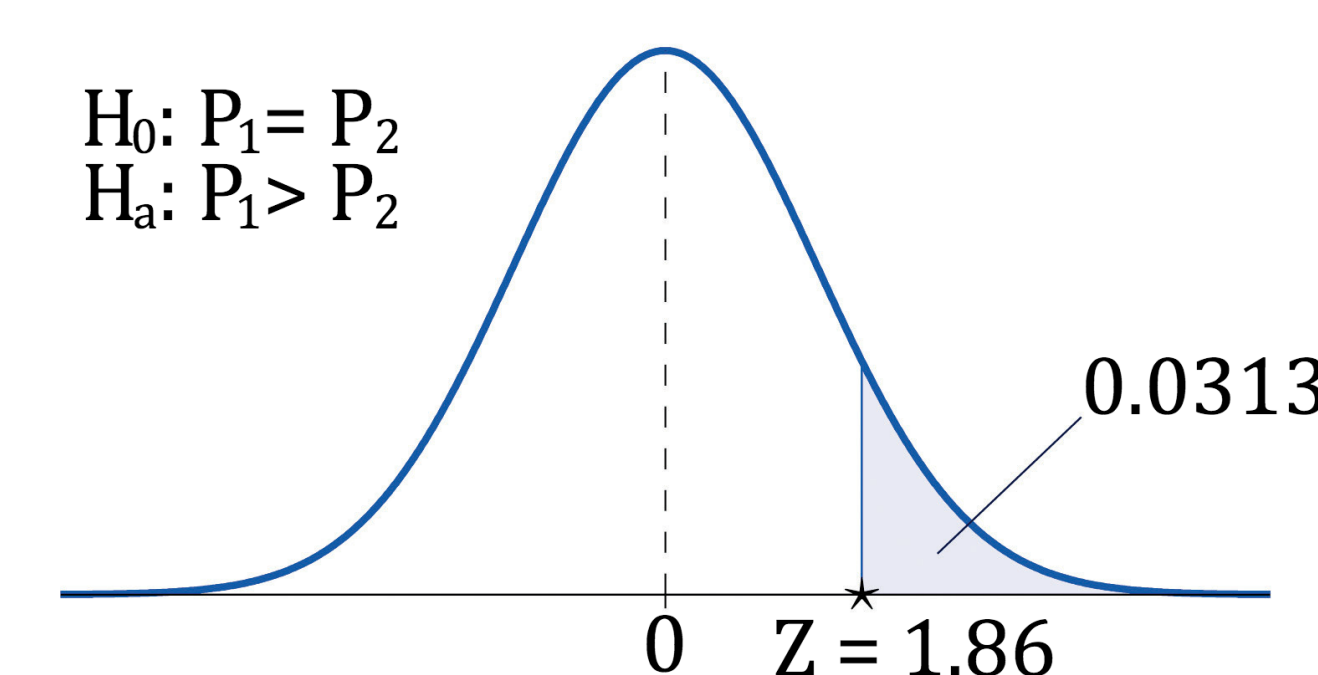


Figure 4: Z-Test for Ability Comparing Two Population Proportions

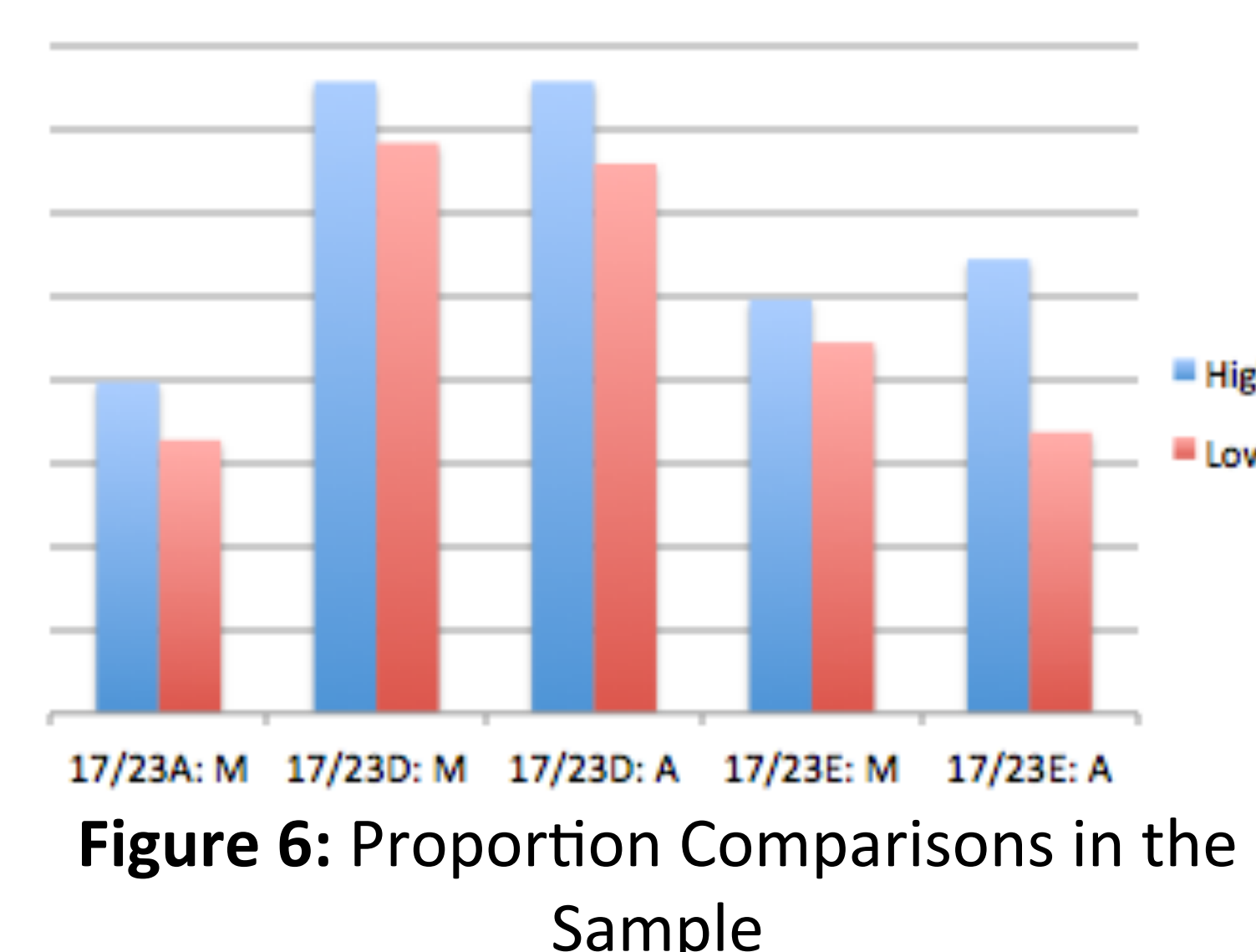


Figure 6: Proportion Comparisons in the Sample

Discussion

- Out of the ten total reaction cases (two for each reaction question), five are directional in the way that I expected (see Figure 6).
 - High motivation respondents found claims made in the central ad to be more believable than low motivation respondents.
 - High motivation respondents liked the central ad more than low motivation respondents.
 - High ability respondents liked the central ad more than low ability respondents.
 - High motivation respondents reported their willingness to purchase increased more from the central ad than low motivation respondents.
 - High ability respondents reported their willingness to purchase increased more from the central ad than low ability respondents.
- One case (the one highlighted in Figures 3-5) was statistically significant for the entire population.
- Survey data suggests that my hypothesis is true, but lacks statistical strength to be extrapolated to an entire population.

Conclusion

- Limitations
 - Obtaining a diverse sample demographic (especially low ability)
 - Ads viewed back-to-back; failed to account for real-life television-watching experience
 - Need more objective evaluation of motivation and ability
 - Need to reduce biases that are commonly found in surveys
 - English-speakers only
 - Increasing amount of DVR usage and online video streaming
- Future research avenues
 - Compare mobile, online, print ad effectiveness
 - Online-only banks
 - Regional versus national
 - Hispanic banking behavior and ad preferences
 - Effectiveness of featured banking products and attributes
 - Combining research methods (ex: include EKG studies, focus groups)

References

- ¹Petty, Richard E., John T. Cacioppo, and David Schumann. "Central and peripheral routes to advertising effectiveness: The moderating role of involvement." *Journal of consumer research* (1983): 135-146.
- ²MacInnis, Deborah J., Christine Moorman, and Bernard J. Jaworski. "Enhancing and measuring consumers' motivation, opportunity, and ability to process brand information from ads." *The Journal of Marketing* (1991): 32-53.

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